

DEPARTMENT OF INDUSTRIAL RELATIONS

DIVISION OF LABOR STANDARDS ENFORCEMENT

525 GOLDEN GATE AVENUE
SAN FRANCISCO, CA 94102

ADDRESS REPLY TO:

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San Francisco, CA 94102

IN REPLY REFER TO:

May 5, 1988

Ms. Maureen Haggarty
Vice President - Personnel
GMAC Mortgage Corporation
8360 Old York Road
Elkins Park, PA 19117-1590

Dear Ms. Haggarty:

This is in reply to your letter of April 18, 1988 regarding the timely payment of wages under California law. The answers to your specific questions are as follows:

1. Wages "earned in excess of the normal work period" would cover work that is not normally scheduled i.e., usually unscheduled overtime. Some employers may schedule regular overtime for extensive periods during peak operations; such overtime would not fall under the intent of the statute and must be paid on the designated payday.

Any hours worked beyond an employee's normal work period may be considered in "excess of the normal work period," although such work is not at premium rates, these wages may be paid at the next regular payday. An example would be a part-time worker who normally works 4 hours per day is required to work 6 hours per day due to unanticipated work loads, the 2 hours may be paid on the next payday.

In your example, the 5 hours may be paid on the next regular payday after the pay period in which the extra work was performed.

2. A semi-monthly pay period is considered a "regular pay period" if the employer normally pays wages on a semi-monthly basis as permitted by Section 204 of the Labor Code. Unscheduled work in excess of the normal work schedule during a semi-monthly pay period may be paid on the next payday.

3. Semi-monthly pay periods are in compliance with Section 204, provided wages earned from the 1st to the 15th of the month are paid by the 26th of the same month. This requirement includes part-time workers. The payday must be designated in advance.

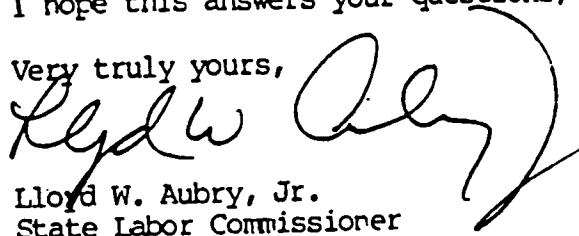
Commissioned employees must be paid their commissions within the framework of Section 204 when the commissions become payable. If in your example commissions are earned at the close of a loan, such commission must be paid by the 26th of the month if the loan closes during the period between the 1st to the 15th of the month. Commissions on closings after the 15th are payable by the 10th of the following month.

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It is the Division policy to give employers reasonable time to adjust payroll practices to conform to the Labor Code mandates, however, taking until January 1, 1989 would be considered an excessive period of time. For your guidance enclosed is a digest of California's wage payment laws.

I hope this answers your questions; if not, please let me know.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Lloyd W. Aubry, Jr.", written over the typed name.

Lloyd W. Aubry, Jr.
State Labor Commissioner

LWA/st

1988.05.05